

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice FC-172**

1940-L

**For:** State and County Offices

**FY 1998 Direct Operating Loan Funds**

**Approved by:** Deputy Administrator, Farm Loan Programs

*Carolyn B. Cooksie*

**1 Overview**

**A**

**Background**

Unobligated FY 1998 allocations of non-Socially Disadvantaged Applicant (SDA) Direct Operating loan funds will be pooled from each State Office. This pooling action ensures that all available loan funds are used before the end of FY.

**B**

**Purpose**

This notice provides:

- the date pooling action will be accomplished
- information on disposition of pooled loan funds
- guidance on assisting FSA customers in seeking alternatives credit.

**C**

**Contact**

Direct questions about this notice to LMD.

**Disposal Date**

October 1, 1998

**Distribution**

State Offices; State Offices relay to County Offices

3-16-98

## 2 Pooling of Direct Operating Loan Funds

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### A Unobligated Allocations

Effective COB April 15, 1998, unobligated allocations of non-SDA Direct Operating loan funds will be pooled.

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### B Requesting Funds

All pooled funds will be held in the National Reserve. Requests for reserve funds require:

- name of applicant
  - amount of loan
  - date of initial application.
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## 3 Availability of Alternative Credit Sources

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### A Alternative Sources

The demand for direct operating loan funds will exceed the funds available in FY 1998.

Because of limited availability of direct operating loan funds, efforts must be increased to assist applicants in using other sources of credit.

Priority in using alternatives credit sources is as follows:

Priority	Alternative Credit Sources
1	Commercial credit without FSA guarantee
2	Commercial credit with FSA guarantee
3	Subordinations to permit another lender to provide credit
4	As a last resort, a direct operating loan

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